



**Director of
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25X1

Page Denied

Top Secret

25X1

Contents

Cyprus: Reaction to Independence Declaration 1

25X1

Netherlands: INF Debate in Parliament 4

25X1

Iraq-Iran: Iraqi Chemical Warfare 7

25X1

UK: Defense Spending Reduced 10

25X1

Costa Rica: Neutrality Proclamation 11**Panama: Vice President Replaced** 11

25X1

Japan: Review of Limits on Defense Spending 12**Special Analysis****Syria: Possible Impact of President Assad's Illness** 13**Top Secret**

25X1

25X1

17 November 1983

Top Secret

25X1

CYPRUS: Reaction to Independence Declaration

The Turkish Cypriot declaration of independence so far has not provoked significant military activity in Greece or Turkey, with both sides apparently working to keep the dispute in diplomatic channels.

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International reaction to the Turkish Cypriot move has been overwhelmingly negative. Many governments have called for the reversal of the action. Condemnation has been strongest in Western Europe, where statements by individual governments and the EC have called for a return to the situation before the declaration. Overt support for the action has been minimal, but some Islamic states indicate they may endorse it.

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Comment: At the request of the Government of Cyprus, the UN Security Council is debating the issue and is scheduled to vote on it tomorrow. Turkish Cypriot leader Denktash may present the case for independence, while the UK probably will take the lead against it. If Cypriot President Kyprianou arrives in time, he also may speak against the action.

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Both sides evidently are working to reduce the chances of armed conflict and to direct the dispute into diplomatic channels, although a clash is still possible. The Security Council debate almost certainly will result in a denunciation of the Turkish Cypriot action and Turkey's support for it. A UN resolution declaring an embargo against the new republic and Turkey is possible if the Turkish Cypriot declaration stands.

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At the same time, attitudes among Turks and Turkish Cypriots are hardening, and no UN action or pressure from the Western allies is likely to lead to a reversal of the action in the near term. Prospects for a reversal will become even dimmer if other states recognize the new Turkish Cypriot republic.

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Page Denied

Next 2 Page(s) In Document Denied

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NETHERLANDS: INF Debate in Parliament

The parliamentary debate on INF today could end with a majority voting to reevaluate the NATO deployment decision or to postpone deployments, but the government will not consider any such vote binding. []

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The US Embassy reports that the Christian Democratic-Liberal coalition expects the opposition Labor Party to introduce a resolution calling on the government to push for a special NATO meeting to reevaluate INF deployments and for a six-month delay in deployment to permit more time for negotiations. Defense Minister de Ruiter, after arguing last week against such motions before parliamentary committees, told US officials that he still believes the government will win but that the vote may be close. []

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The Christian Democrats plan to meet before the debate to try to ensure that party dissidents adhere to the government's position. The party's parliamentary leaders could give the cabinet problems on a second front if they follow through on tentative plans to preserve party unity by submitting a "soft" resolution of their own. It would call for a pause in INF deployments—conditioned on certain Soviet concessions—after initial deployments in the UK and West Germany. According to the Embassy, Foreign Minister van den Broek is trying to head off any attempts along this line. []

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Comment: A softly worded motion proposed either by the Labor Party or the Christian Democrats could split the government vote, especially because the government will not fall as a result. Although the government would be embarrassed if it lost such a test, it is unlikely to change its policy on INF. It probably will continue to support publicly the NATO dual-track decision but reserve its own decision to deploy until next year. []

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De Ruiter comes from the antinuclear left wing of the Christian Democrats, and his espousal of the government position should influence some votes. Nevertheless, many parliamentarians—particularly Christian Democrats—balance a strong commitment to NATO with a genuine moral reluctance to proceed with INF deployments. []

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Page Denied

Next 1 Page(s) In Document Denied

Top Secret

25X1

IRAQ-IRAN: Iraqi Chemical Warfare

Iraq's use of chemical warfare may cause Iran to strengthen its resolve to continue the war. []

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Since August, [] Iranian press releases have indicated that Iraq used mustard gas against Iranian forces and cities in the northern border area. []

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Comment: Although the Iraqis have had limited success thus far with CW, they probably will continue using it. The frequency of use will depend on the availability of munitions and on the tactical military situation. Iraq's use of CW is likely to make Iran more determined to continue the fighting and to reinforce Ayatollah Khomeini's perception that a negotiated peace with Iraqi President Saddam Husayn is impossible. []

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In the meantime, Iran will continue to emphasize protective measures. There is no known chemical weapons program in Iran. Without foreign assistance, such a program would be a long-term project. []

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At the UN General Assembly, Iran probably will accuse Iraq of using CW. Baghdad would be sensitive to any international criticism at a time when it is trying to rally Western support. Nonetheless, the Iraqis are likely to continue using CW. []

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Any international condemnation of Iraq probably would not lead to the imposition of economic and political sanctions. Failure to take such action against the Iraqis could reduce the credibility of international agreements banning the use of CW. []

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Page Denied

Next 3 Page(s) In Document Denied

Top Secret

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UK: Defense Spending Reduced

Defense Secretary Heseltine plans to announce new defense spending plans today that in effect back away from the UK's commitment to the NATO goal of 3-percent annual real growth. The British intend to "redefine" provisions of the budget for next year to reduce the increases and to tie further spending to the general inflation rate rather than to the higher rate prevailing in the defense sector. Moreover, the British have no plans to continue their commitment to 3-percent growth after 1985. [REDACTED]

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Comment: The Defense and Treasury Ministers have been engaged in a long-running battle over the 3-percent issue. Prime Minister Thatcher apparently has decided in favor of the Treasury position because of her concern about the deficit and her hope to cut taxes in the future. The "redefinitions," especially the change in calculating the rate of inflation, probably are designed to disguise the UK's retreat from its previous commitment and to lend credence to the claim that it will continue to meet or come close to the 3-percent goal. The planned reductions almost certainly will affect military operations and equipment procurement. [REDACTED]

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COSTA RICA: Neutrality Proclamation

President Monge will announce a proclamation of neutrality today aimed at preventing Costa Rica's involvement in regional military conflicts. The pronouncement follows the recent resignation of Foreign Minister Volio, who believes his conservative hardline views—particularly against Nicaragua—lost influence with Monge. US Embassy sources report that Justice Minister Gutierrez, who wrote the final draft of the proclamation, emphasizes that the document will not affect San Jose's peacekeeping commitments to the UN, the OAS, or the Rio Pact. In response to the proclamation, the Costa Rican Congress reportedly will amend the constitution by reserving the right to organize armed forces to honor these commitments and provide for self-defense. []

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Comment: The decision to proceed with the neutrality proclamation suggests that the more moderate members of Monge's cabinet may have prevailed temporarily over hardline opponents of the Sandinista regime. This view is reinforced by Volio's resignation and the apparent conversion of Justice Minister Gutierrez, who along with Volio had opposed the proclamation. Gutierrez's role in drafting the document also reinforces speculation that he is a likely successor to replace Volio. []

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PANAMA: Vice President Replaced

Vice President Illueca's criticism of the government's involvement in the Central American Defense Council apparently has prompted Defense Forces Commander Noriega to replace him temporarily. Noriega reportedly was angered by Illueca's speech to the National Assembly last week disavowing Panama's participation in the regional military organization. Illueca also suggested Panama had little to gain from the US-sponsored Caribbean Basin Initiative. Minister of Government and Justice Ozores has been appointed Acting Vice President, ostensibly until Illueca's term as President of the UN General Assembly expires next September. []

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Comment: Noriega, who has openly supported the revival of the Defense Council, probably believes the removal of the leftist-leaning Illueca will help assure a more unified approach in foreign policy matters. The government tolerated earlier indiscretions by Illueca as a concession to the left and as a means to promote its Third World credentials. Illueca's tendency to make foreign policy statements independent of official policy lines, however, is likely to prevent his return to the vice-presidency. It is unclear whether his dismissal will result in a more favorable posture toward the US in the UN, where he may still exert influence in the General Assembly. []

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JAPAN: Review of Limits on Defense Spending

Foreign Minister Abe and Tanaka Rokusuke, chairman of the Liberal Democratic Party's Policy Board, suggested in a television interview this week that Tokyo should review its policy of restricting defense spending to 1 percent of GNP. Abe cited declining growth rates and the "difficult international situation" as reasons. [REDACTED]

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Comment: For several years policy statements of the Liberal Democratic Party have called for such a review, but party officials usually have avoided public comments on this politically sensitive issue. The remarks by Abe, one of Prime Minister Nakasone's chief rivals, and Tanaka, an influential dove, suggest party leaders may have decided—perhaps partly in response to talks held during President Reagan's visit—that the time has come to test the waters. Substantial changes are unlikely in the defense budget for fiscal 1984, but the party could be indicating to the Defense Agency that it might consider exceeding the 1-percent limit when compiling the budget this spring for 1985. The timing of the statements, shortly before the elections expected next month, suggests Nakasone will have his party's backing on defense issues during the campaign. [REDACTED]

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Special Analysis

SYRIA: Possible Impact of President Assad's Illness

President Assad's hospitalization for what the government claims was appendicitis has prompted a recurrence of rumors in Damascus that he has suffered a heart attack. If Assad's condition is indeed more serious and he is incapacitated for a prolonged period or dies, the stability of the regime will be threatened.

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A Foreign Ministry official acknowledged on Monday that Assad would be hospitalized "for some time," although an official spokesman announced—also on Monday—that Assad is making a good recovery. As long as the prognosis for Assad's recovery is optimistic, leaders in the military or the ruling Ba'th Party are unlikely to try to dislodge him.

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Assuming the President remains hospitalized for less than a month, temporary arrangements among his senior advisers probably will keep the government running normally. In the event of a slightly more prolonged incapacitation, the constitution provides for interim rule for up to 90 days by the Prime Minister.

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If Assad Dies

The President's 46-year-old brother, Rifaat, is in a good position to make a bid for succession. The regime's praetorian guard under Rifaat's command, including 25,000 men garrisoned near Damascus, almost certainly would seize control of key points in the city. These forces probably would not meet any opposition.

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Most of Rifaat's forces, as well as other key security officials, are members of the minority Alawite sect. Many of them would calculate they must support Rifaat because Alawite bickering over succession could prompt the majority Sunni community to make a bid for power and exact revenge for the excesses of the Assad regime. Chief of Staff Shihabi, Defense Minister Talas, Foreign Minister Khaddam, and other senior officials dislike Rifaat, but they probably lack the strength to oppose him in the near term.

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Rifaat's strong-arm tactics and reputation for personal corruption have created strong antipathy toward him among security and Ba'th Party officials. These opponents would be likely to try to create obstacles to a smooth transition through the constitutionally defined

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succession process of nomination by the Ba'th Party, ratification by the People's Assembly, and approval in a national referendum. []

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A coalition opposed to Rifaat almost certainly would emerge. Military Intelligence Chief Ali Duba and Special Forces Commander Ali Haydar, although fellow Alawites, probably would conclude that Rifaat lacks the ability to protect Alawite dominance. Foreign Relations Department chief Muhammad Haydar and other Ba'th political leaders who are less important than the military in determining the course of a succession could emerge as significant rivals or promote the candidacy of a more publicly acceptable figurehead. []

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Opponents of the regime would try to exploit the political tension created by the jockeying for position during or after the succession process. The Sunni fundamentalist Muslim Brotherhood might see an opportunity to renew civil disorders in an attempt to dislodge Alawite rule. Supporters of Assad's predecessor, Salah Jadid, who is now in prison, or disgruntled Sunni military officers could make bids for power. []

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The Soviet Role

Moscow probably would fear that Assad's death could, in the worst case, lead to the kind of protracted instability that characterized Syrian politics before Assad's rise to power. The Soviets probably also would be concerned that a successor to Assad might undertake more risky policies in Lebanon or on the Golan Heights. []

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Rifaat's alleged pro-Western sympathies could prompt a Soviet effort to influence the succession process. Moscow, however, would try to avoid an appearance of interference in Syria's domestic affairs. []

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There is no overtly pro-Soviet figure who could now be considered a likely candidate for succession. Nonetheless, the Soviets' training program for Syrian officers has enabled Moscow to gain at least some influence among potential candidates. []

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Outlook

If Assad dies, the obstacles to a smooth takeover by Rifaat will lead at a minimum to a period of high political tension in Damascus. Even if Rifaat succeeded initially in taking power, it is questionable whether he has the political skills to hold the military and political establishments together. This could result in prolonged instability. []

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The key contenders for power generally agree on major policy issues. As a result, there probably would be few departures from Syria's foreign policies over the near term. [REDACTED]

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Despite Rifaat's apparent pro-Western leanings, he opposes US policy in the region. He almost certainly would see continued ties to the USSR as a necessary counterbalance to US support for Israel. No successor would be likely to withdraw Syrian troops from Lebanon without first achieving Israeli withdrawal and the establishment of a government in Beirut favorable to Syrian interests. [REDACTED]

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